



Prudential Notice 2 of 2025

FINANCIAL SECTOR REGULATION ACT, 2017 (ACT NO. 9 OF 2017) BANKS ACT, 1990 (ACT NO. 94 of 1990)

DETERMINATION OF THRESHOLDS IN TERMS OF THE PRUDENTIAL STANDARD ON MARKET RISK

The Prudential Authority (PA) issued the Prudential Standard: Market Risk (Prudential Standard) on 30 June 2025 that comes into effect on 1 July 2025. The Prudential Standard sets out the principles and requirements for market risk for banks. In addition, the Prudential Standard enables the PA to determine the thresholds to opt out of the look-through approach for index instruments as well the thresholds relating to market capitalisation (market cap).

In accordance with the provisions of paragraphs 10.7.58(e) and 10.12.4 of the Prudential Standard, the PA hereby determines the thresholds set out in the attached Schedule.

The thresholds may be amended from time to time through a new determination. This will be a consultative process and banks will be provided an adequate transitional period before the new thresholds become applicable.

Fundi Tshazibana
Chief Executive Officer

Date: 2025-06-30

SCHEDULE

DETERMINATION OF THRESHOLDS IN TERMS OF THE PRUDENTIAL STANDARD ON MARKET RISK

1. Definitions

In this Notice, “Prudential Standards” means the Prudential Standard on Market Risk and any word or expression to which a meaning has been assigned in the Prudential Standards bear the meaning so assigned to it, and unless the context indicates otherwise.

2. Thresholds

Banks must use the following thresholds to opt out of the look-through approach for index instruments as well the thresholds relating to market capitalisation (market cap)

Requirements	Basel Committee on Banking Supervision thresholds	Threshold determination applicable to banks
Look-through approach for index instruments	USD40 billion	R656.3 billion
Large market cap	USD2 billion	Equal to or greater than R32.7 billion
Small market cap	USD2 billion	Less than R32.7 billion